

**For:** State and County Offices

**Continuing Suspension of Direct and Guaranteed Loans for Hog Production**

**Approved by:** Acting Deputy Administrator, Farm Loan Programs

**1 Overview**

**A**

**Background**

Previous FLP notices have been issued to suspend loan financing for the construction of facilities used for hog production. This action was taken out of concern that FSA credit programs would prolong the crisis in the hog industry by facilitating additional production capacity. USDA is continuing to evaluate financial trends in the hog industry to determine if the suspension should be lifted. Until a determination is made, the suspension on financing for construction of hog facilities will continue.

**B**

**Purpose**

This notice informs State and County Offices to continue the temporary suspension of direct and guaranteed farm ownership and farm operating loan financing for the construction of specialized facilities used for the production of hogs.

**C**

**Contact**

State Offices shall direct all questions about this notice to LMD at 202-720-1632.

Disposal Date	Distribution
October 1, 2002	State Offices; State Offices relay to County Offices

**2 Action**

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**A  
Applications  
With Suspended  
Processing**

Any application for a direct or guaranteed loan for the construction or expansion of a specialized hog production facility will be accepted but held in abeyance until the suspension is lifted.

A specialized hog production facility is defined as any building or enclosure and related equipment used specifically to house, raise, or feed hogs of any size, age, or market class.

The loan processing time frames will not apply to these applications while the suspension is in effect.

County Offices shall notify both applicant and lender that the application is being held.

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**B  
Applications Not  
Affected by the  
Suspension**

Direct and guaranteed loan applications for purchasing, refinancing, maintaining, or repairing facilities currently in production will continue to be processed.

In all other cases, applications will only be processed when the Government's interest will be imperiled if the application is not processed.

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